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ABSTRACT

The document focuses on various aspects of the social, economic, and policy implications of migration in Europe based on the actions undertaken by the Organization for Economic Cooperation and Development (OECD). A discussion of issues which may remedy the disequilibrium between the relative portions of the factors of production is presented: (1) the need to organize confrontation between affected nations regarding migratory policies in order to establish a new typology of migration which could give government policies a new direction, (2) the effects of immigration on the receiving country's employment structure and control of demand, (3) the effects on the employment structures of emigration countries based on their incapability to control supply to the international labor market, and (4) the implementation of a new strategy in the relations between countries of immigration and emigration which focuses on deployment or adjustment in and between industry and agriculture. An annex to the report contains guiding principles for facilitating the orientation of national policies and implementing them through cooperative effort at the international level. (Author/EC)

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FOREWORD

The following report is based mainly on work undertaken by the Manpower and Social Affairs Committee's Working Party on Migration. The report traces the development of the work of the Organisation, clarifies the principal features of migrant movements within Europe, together with their economic and social implications, and focuses on the most important aspects for the guidance of policy.

In this last respect, the report ends with a series of conclusions which may be summarised as follows:

- analysis of recent developments in intra-European migratory movements suggests a challenge to the ideas of "surplus" and "shortage" of manpower and the achievement of clearance on the market merely through the action of international labour mobility;
- the structural nature of immigration and its subsequent economic and social consequences present the host countries with the need for decisions on certain options in full awareness of the costs involved;
- the countries of origin are largely dependent on their opposite numbers in the international manpower market with regard both to the volume and direction of migratory flows and to the measures which might be adopted for making emigration operate more in their own interest;
- there thus emerges the question of a new kind of relationship between the two groups of countries and, in the longer term, the vision of a possible new strategy for co-operation and development.

The annex to the report contains guiding principles for facilitating the orientation of national policies and their concertation at international level. The OECD Council drew the attention of Member countries concerned to these guiding principles with the intention that these should be taken into account in the formulation of policy.

Although the findings of the report are based mainly on European experience, it is hoped that they will provide valuable lessons for countries with similar problems in other parts of the world.

The report is published under the responsibility of the Secretary General.

I. THE OEEC'S NORMATIVE ACTION

Soon after the War, manpower migration in western Europe assumed such proportions that the countries concerned were very quickly persuaded to abandon to some extent the strict framework of bilateral relations and to engage in multilateral action. This was not of course an entirely new approach. In 1921, an International Emigration Commission set up by the ILO (in which European influence was predominant) had drawn up a series of recommendations for the protection of migrant workers. What was new was the institutional support given to the multilateral negotiations and action by the appearance of European intergovernmental organisations accompanied by a network of private institutions which influenced their action as well as the attitudes of the responsible governments.

The concepts guiding the activity of the various intergovernmental organisations as regards migration were originally quite similar. In the post-war climate of European reconstruction, there was a certain measure of agreement between ethical and legal principles and the practical interests of the international community, that manpower shortages which were holding up the repairs to the productive apparatus should be alleviated by improving the use of human resources and transferring these from "surplus" countries to "deficit" countries (see the ILO Recommendation on migrant workers, revised in 1949).

This kind of concept was stated clearly in the terms of reference of the OEEC, set up in 1948, which was thus the first intergovernmental organisation in Europe to be given a specific mandate in this field. According to Article 8 of the Convention of 16th April 1948, "the Contracting Parties will make the fullest and most effective use of their available manpower. They will endeavour to provide full employment for their own people and they may have recourse to manpower available in the territory of any other Contracting Party. In the latter case, they will, in mutual agreement, take the necessary measures to facilitate the movement of workers and to ensure their establishment in conditions satisfactory from the economic and social point of view. Generally, the Contracting Parties will co-operate in the progressive reduction of obstacles to the free movement of persons".

It should be remembered that at that time available manpower reserves in Europe were considered to be so large that it was said that "population surpluses" existed. This referred not so much to the countries around the Mediterranean (with the essential exception of Italy) as to those which, like the Netherlands or Federal Germany, were faced with a considerable natural (in the former case) or exceptional (in the latter case) increase in their population. Nonetheless, various causes combined (tardy industrial development, destruction, inflow of refugees, etc.) to create a favourable situation for international action within an organisation based on the principle of economic co-operation whose aim was to "liberalise" the movement of persons while also endeavouring to remove the obstacles to the movement of commodities, services, and capital.

This action quite naturally took a normative direction. The institutional framework lent itself to this, as did also policy intentions. Since the Organisation was elaborating "Codes" of liberalisation of trade and payments, it was natural to try and do the same for manpower movements. This process took concrete shape in the adoption of two series of legal instruments: first, the Council Decision of 30th October, 1953, subsequently amended several times, "governing the employment of nationals of Member countries" and, secondly, various recommendations consolidated in a single text in 1961 by the OECD under the title "Recommendation of the Council concerning the introduction and employment of foreign manpower".

In spite of the absence of new features, as compared with the legislation of that time, the Council Decision had the merit of setting criteria for the issue and renewal of work permits, and this marked the beginnings of legal protection for migrant workers and a certain guarantee of objectiveness in the decisions taken by the responsible departments. The national labour force enjoys priority over new immigrants, but apart from this case and other specific exceptions, the Decision consecrates the principle of the "obligation" to issue or renew such permits. In addition, a Member country is required to inform the Organisation of the number and characteristics of cases in which initial or renewal permits have been refused. Lastly, this Act tends to integrate into the national labour market foreigners who have been employed for a certain time on that market.

As for the Recommendation, the following points will be noted: a) the fairly innovatory nature of its provisions concerning the spatial, temporal and occupational extension of the validity of residence and work permits, b) assimilation of the status of his spouse and children to that of the worker himself, c) the simplification and decentralisation of administrative procedures, d) that the documents required are free of charge, and also e) the elimination of other expenditure and taxes for the worker relating to his employment

or his family's travel. This Recommendation also includes an Annex laying down rules for the operation of an international clearance scheme for job vacancies and applications.

Some questions may be asked concerning the influence exercised by these acts and by OEEC action in general over the trend of European "economic" migration. The fact is that such migration increased considerably during the decade from 1950 to 1960 and the action of the original Organisation was the expression of a doctrine common to all of its Members.(1) As such, it began a movement which has gradually extended beyond its initial limits and influenced legislations, reshaped bilateral relations and contributed towards the appearance of new multilateral structures.(2) -

At the beginning of the '60s, this doctrine had quite precise features which may be summed up as follows:

1. by allowing manpower to move from countries where it is in surplus to countries where it is in deficit migration entails general benefits for both groups of countries;
2. at individual level, migration enables a migrant worker to obtain a job at a fair wage and possibly to improve his work skills and chances of social promotion (especially if he returns to his own country);
3. compared with these advantages, the collective and personal disadvantages are regarded as of minor importance; in any event, activities in the fields of adaptation, training, housing and, more broadly, social welfare should help to reduce if not eliminate them altogether;
4. freedom to emigrate should therefore be recognised and normalised as a natural right and the formalities for entering and residing in the country of immigration should be simplified and relaxed;
5. with regard to employment, the worker should be free to accept offers from abroad provided this freedom does not jeopardise the interests of the (national or foreign) workers already the immigration country's own market;
6. after a specified period of employment (which should not exceed 4 or 5 years and should be gradually reduced), it should be possible to integrate the foreign worker into the national employment market and, to this end, restrictions on the choice of employer, occupation and place of work should be gradually removed;
7. the creation of zones of free manpower movement or, better still, of real common employment markets is a desirable target;
8. public services should be instructed to provide applicants for emigration with detailed information and to supervise

the international clearance of job vacancies and applications both for individual and collective recruitment. These same services or others (which should in any case be free) should be instructed to apply measures to facilitate the departure and reception of migrants. International co-ordination of these activities should be established through a strong liaison structure, together with in-service training and exchanges of officials;

9. migrant workers should without exception (within the firm as well as outside) enjoy the same contracts, terms and benefits as well as the same protection as national workers, including such assistance as is provided by the guidance, training and employment services. The same applies to membership of the trade unions and participation in their activities. In addition, special measures should be taken to ensure that the foreign worker is not in any position of inferiority (see point 3);
10. the benefits of social security should be maintained independently of the worker's movements, and periods of insurance or employment should be aggregated;
11. the transfer of earnings and savings to the country of origin should be guaranteed;
12. families should be encouraged to reunite and the status of their members should be identical with that enjoyed by the head of family;
13. the exchange of young workers may improve their chances of general and occupational education. It should therefore be facilitated in the context of bilateral or multilateral programmes.

When the OEEC became the OECD in 1960, the principle of the liberalisation of manpower movements in Europe was reiterated and the legal instruments which had given it concrete form were "renewed" in the new Organisation. It was quite naturally asked, at least in the European Member countries of this Organisation, what further normative progress could be made on the basis, in particular, of the decisions taken in Brussels by the Communities under the Treaty of Rome. This attempt at extension was doomed to failure (in 1964).

Retrospectively, this failure may be attributed to two essential reasons. First, the policy target of greater "liberalisation" was no longer the same as at the time of the Marshall Plan in an organisation which had ceased to be only European. Second, and this was still more important, the countries concerned felt vaguely that the purely normative approach had its limits and that in fact the norms adopted so far were based on assumptions that were increasingly belied by events.

This led the Manpower Committee to suggest to the Council that the OECD should organise confrontations between its Members on the aspects regarded as most important in their migratory policies, the organisation of these confrontations being entrusted to a new Working Party on Migration which replaced the former Manpower Liberalisation Group and was, like the latter, instructed to continue supervising the application of the old Council Decision.

The essential interest of the confrontations held since then, which have led to four reports,(3) was that they enabled a new typology of migration to be established from which governments could give their policies a new direction.

II. CONFRONTATION OF POLICIES IN THE OECD

A) TOWARDS A NEW TYPOLOGY OF MIGRATION IN WESTERN EUROPE

We have seen that it was widely agreed in the '60s that migration in Europe made it possible to meet shortages or surpluses which could in the long run be balanced through the mechanisms of a broader market and a better international division of labour. In point of fact, the more industrialised part of Europe has become a world economic power while the other, although developing, has not been able to make up the leeway to compete with it, particularly on the labour market. Migration has increased and its sources of recruitment have become more varied. This development has quite naturally entailed increasingly sharp socio-political reactions. When we endeavour to analyse the way in which supply and demand have evolved over the past decade, we observe various factors.

The mechanism of recourse to foreign manpower operated as follows:

1. Constant general demand (in which the international components played a very important role) has nourished continuous economic growth.
2. Full employment of the national labour force has been maintained or achieved. It has naturally affected the demand for consumer and capital goods, helping to feed growth.
3. Over-employment phenomena have been observed almost everywhere. Manpower has become a scarcity, being increasingly attracted to better paid or more satisfying jobs. This has helped to raise the already potentially high demand for training and education, which has had the effect of reducing the total supply of labour still more.
4. Other constraints having joined the preceding (demographic constraints, difficulty of fully utilising the theoretical manpower potential, technical constraints, rigid structures and behaviour), the use of foreign manpower, which was originally only for jobs in building or agriculture (usually seasonal), for some skilled jobs or else for jobs regarded as typically dependant on the

short-term economic situation, has spread to other branches of industry as well as to certain services. Immigrants have finally taken unskilled or semi-skilled jobs where their presence has, incidentally, had the effect of putting a brake on the rise in certain categories of nominal wages, thus contributing even from this standpoint towards the faster departure of national labour to better paid jobs.

5. Thanks to immigration, the countries of industrial Europe are practically in the same situation as countries with an almost unlimited labour supply, but, as distinct from the latter, they also have capital, the basic and productive structures and "know-how" and the required technical and skilled workers. This has stimulated the expansion of investment and has made it possible to avoid any immediate exhaustive review of the social structure of employment and production. To a varying but often considerable extent, immigration has slowed down the transfer of productive capital abroad and has probably contributed towards the inflow of international capital.

6. As this cycle has continued, immigration has become structural. With the demand for labour adjusting to the nature of the supply which could satisfy it, the employment market in most industrialised countries in Western Europe split up into two parts: one represented by the national labour force (whose employment opportunities not only increased but also their chances of obtaining a better job) and the other consisting largely of foreigners (whose employment opportunities also increased). By their very nature, these two components of the market have usually proved complementary and not competitive.

7. Immigration (which has also ended - in spite of the turnover - by including an increasing number of the members of migrant workers' families) has been reflected in an additional demand for consumer goods and infrastructure and this has led to further manpower requirements. At the same time, the continuation of productive investment has been reflected, as we have just shown, in a further increase in the demand for labour and for labour of a certain type. This is when we can speak of immigration as being self-feeding (of the increasing autonomy of immigration in relation to the size of previous flows, its rate of renewal, the types of employment where it penetrates tends to perpetuate and to multiply) i.e. a cumulative and fairly complex process which could only be halted or limited by outside intervention.(4)

The machinery of supply is more difficult to follow, as migration in Western Europe is a fairly typical expression of a market in which the demanders, the immigration countries, are in a dominant position compared with the "suppliers". Such movements are essentially governed by the structure of employment and the trend of the labour market in the demanding countries and by the disparity between wages in these countries and the countries of origin. Together with this, there are substantial differences between the various types and regions of emigration, which have so far prevented the formulation of a common theory.

In any event, there is little similarity between these movements and the waves of transatlantic migration in the 19th century, especially because the push factors in the latter prevailed over the pull factors. The former were important when European manpower migration started, but they have been gradually reduced in overall terms over the last decade, yielding finally to the pull factors. Moreover, the demographic factor is no longer as important as it was up to the '50s. While it is true, for example, that Turkey has a population growth rate of about 2.6 per cent, it is also true that other countries such as Greece, Spain, Portugal and Yugoslavia have as low population growth rates as those of the more industrialised countries (0.7 per cent, 0.9 per cent, 0.6 per cent and 1.0 per cent respectively). Consequently, where the economic propulsion factors are felt, they are more the expression of the existence of manpower reserves (due in particular to under-employment) than of an irreversible population surplus.(5)

Differences in earnings, ranging sometimes from over 50 per cent to nearly 100 per cent (6) and beyond, are obviously likely to induce even a worker who has a normal job to look for work abroad. This fact in particular explains the permanent nature of the extensive migratory flow from the more developed regions of Yugoslavia (which had begun because of unemployment), the development of Finnish emigration to Sweden and the growth of frontier migration to Switzerland and Germany.

Alongside this human hope of improving one's own material standard of living (now or in the future through savings), there are other social and cultural inducements such as the factor of emulation. A word should also be said about transport facilities, the actual recruitment activities of firms or their intermediaries and the policies of the governments concerned. In short, we have a whole series of factors which, although they all share the predominantly economic incentive, operate together both at macro-economic level and in sociologically specific groups for which the rather too mechanically-determined notions of "pull" and "push" provide an ever less satisfactory explanation.(7)

The actual forms of these inducements explain certain specific features of European migration. Among the latter, references are often made [see page 13 paras. 5 and 7] to the frequent entries and departures from the immigration country's labour market. While it has become structural at macro-economic level, European migration is characterised at individual and group level by a relatively high rate of turnover,(8) hence its description as "temporary migration". Transport facilities exercise a decisive influence over this apparently temporary nature (sometimes due to the statistical unit used, since an individual may emigrate and re-emigrate several times during his active life), together with the normative aspects and administrative practices. Permits for a short period, work contracts of fixed duration and restrictions on the entry of families are liable to stimulate such turnover. This combines with the fact that until recently migrant workers were almost always sure of finding a job in immigration countries and were little concerned with the possible consequences of their mobility. It should be noted that this situation suited a good many of those concerned: firms, which could meet their requirements by using this elastic component of the labour supply (so that they did not have to speculate on the productivity-wage mechanism nor to restructure or change the place of production); migrant workers, who could go home to look after their own business and perhaps leave again later; the responsible administrators, who reassured perplexed public opinion by presenting migration as a temporary phenomenon and were able to make certain savings in infrastructure costs; lastly, the opponents, who might find confirmation for their arguments about exploitation of a reserve army which could be mobilised or demobilised at will. Only social workers, "integrationist" sociologists and, more recently, the trade unions in the larger immigration countries pointed out, quite correctly from their viewpoint, that turnover made integration impossible, separated families and made unionisation extremely difficult. The result would be, in short, an accentuation of the migrant's foreignness, which would be reflected in his generally negative attitude towards society in the host country.

These considerations on turnover cannot unfortunately be supported by any significant figures as the statistics (e.g. the traditional migratory balances) are scarce or biased or else do not correspond to the requirements of this research.(9) The OECD's work on cyclically-determined homeward flows (relating to another set of problems) nevertheless contains some interesting data on the ratio of departures to 100 entries into Germany and Switzerland. They show that for periods unaffected by recessional phenomena (e.g. 1965 and 1969), this ratio was respectively 55 and 41 in Germany and 100.4 and 84.0 in Switzerland. Basing himself on the statistics of the German

Labour Department, V. Merx (10) gives us the rate of returns as a proportion of the stock of foreign workers in Federal Germany, which was 30.3 per cent in 1965 and 15.3 per cent in 1969 (18.0 per cent in 1970 and, according to our estimates, 15-16 per cent in 1973 before recruitment was stopped). The falling trend of this rate over the years is a fairly clear sign of the change of policy in the social field and as regards the admission of families, of the spread of emigration to industries other than the traditional ones (building and construction) and, perhaps, of the reconsideration of turnover costs by firms.(11)

The external turnover of foreign manpower (12) is therefore apparently quite significant, but probably less extensive than is generally believed. But it is somewhat arbitrary to establish a direct correlation between turnover and migrants' return intentions. Surveys on such intentions show that migrants do not generally envisage staying abroad more than five years, but it has also been proved that a large proportion of permanent returns to countries of origin are an admission of failure.(13) Should certain present policy trends be consolidated (i.e. restrictions on entry and integration efforts on behalf of foreigners allowed in), returns of persons of active age might fall, as well as the immigration-return-re-emigration sequence.

B) IMMIGRATION

Permanence of immigration and its consequences

The recent thoughts on the nature of intra-European manpower migration are based on a series of considerations (usually implicit) which may be summed up as follows:

1. The structural nature of the employment of foreigners has become so evident that equations of the type foreign employment = temporary employment or cyclical shock-absorber have become increasingly debatable. In particular, the employment of foreigners has spread to industries producing capital goods or consumer durables and to essential services on which depend not only economic growth but also certain improvements in social well-being.
2. The opinion that resort to foreign manpower could be gradually but quite quickly replaced by a new technology has come up against certain realities such as:
   i) competition on internal and international markets, which demands that firms choose appropriate capital/labour mixes to suit that reality;
   ii) technical constraints, which do not always permit such substitution, not only in certain services but also in industry;

iii) the fundamental dualism of the European economy which consists of a "modern" sector (demanding, side by side with a core of personnel with fairly high real qualifications, a considerable mass of production manpower which is quite ordinary, although often graded "skilled" or semi-skilled for historical and wage reasons) and also a more traditional sector requiring a large number of workers "trained" in much the same way as those in small workshops.(14)

3. The impossibility or at least the difficulty of recovering large sections of the national population for certain jobs has become quite clear. "Distaste" for these jobs - whether this is one of the causes or one of the consequences of immigration - enables certain categories of workers to assert their preferences in certain circumstances, this preference reflecting the constraints which affect the various categories of workers differently.(15)

In spite of these considerations, a number of arguments have been put forward in recent years in support of a halt in the growth of immigration, and in particular:

1. the rising cost of recruitment and infrastructure;(16)
2. the partial drying-up of the most traditional sources of recruitment and the risk of having to call on more distant sources, which would involve higher costs and would aggravate relations with the population of the immigration country;
3. the feeling of having to depend increasingly on foreign labour which is difficult to integrate (especially if it increases and is too different in character) and may be subject at the same time to the influence of opposing political ideologies, which may also be foreign to those generally accepted and included in the politico-legal order;
4. realisation of the difficulties of bringing foreigners into the community and workforce, which naturally increase if immigration rises in volume while remaining unstable.

In the immediate future, for short-term economic reasons, and also, if not more so, for social and political reasons, there is an almost general tendency to block the stock of foreign workers, which means that the inflows will be held up insofar as they are not necessary to balance departures.

In the longer run, restrictive measures are considered justified by the desire to ease the economic changes likely to occur (although these are not very clearly envisaged) instead of hampering them. Without expressing a judgement on their validity, we shall mention the main arguments put forward in this connection:

1. The questioning if not of economic expansion, at least of the forms it has taken in the past. In this framework,

assumptions have been put forward about the methods of using manpower and the structure and volume of employment which leave little room for continuation of a certain amount of immigration into the countries of Western Europe.

2. The probability that in the future world economic order, the western countries will gradually concentrate their efforts on specific types of production and services - requiring at the same time less labour and more skill - and a partial substitution of direct investment for export (these arguments are developed in Section III, page 33 of this report).

In the face of these ideas and the renewed criticisms on the employment of foreign workers (17) the conviction however remains among the majority of those responsible, that foreign labour is a variable which must be taken into account in the politics of regional policy and internal deployment of production, which would mean that the flows would be regulated but that the foreign workers would also be able to benefit from the training, re-training and redeployment measures, etc. It is for this reason that at the very time when new entries of foreign labour are being stopped, countries announce their intention of taking specific measures to facilitate the integration of the foreigners and their families already in the country into the host society.

Migrants in the host society

We have seen that contemporary migratory flows came principally from underdeveloped regions and went mainly to very industrialised regions undergoing a fairly advanced process of "tertiarisation". The 20th century migrant is obliged in most cases to live in an urban type of environment whose socio-cultural atmosphere is quite strange to him. He does not always have to understand the values of the "host" society and to interpret them correctly, which assumes a specific desire for integration on his part and on the part of that society,(18) but more elementarily speaking perhaps, he has to be able to survive socially in the midst of a "sophisticated formal network of relations concerning food, housing, health, clothing, transport and education. Access to these benefits necessitates very complex administrative, financial or other formalities. The migrant who comes from a rural area (in particular) may not immediately perceive this and be content with a simpler system as nearly as possible repeating his rural and family structure. But sooner or later he will see that he is in this way vegetating as a bachelor, that he lives in a slum, that he has no access to medical care, that his clothing makes him conspicuous in the street and that public transport exhausts him".(19)

Although they are quite general and based mainly on the concept of the migrant of rural origin, these considerations are justified insofar as they indicate the inadequacy, in a context of permanent employment of foreigners, of approaches which are confined:

a) to regulating entry and residence,
b) to supervising "administratively" the state of the migrant's housing,
c) to providing the minimum initiation to the job and
d) to guaranteeing social assistance to the more difficult cases.

Such approaches leave it in substance to the automatic social mechanisms (which are still more uncertain than the economic automatic mechanisms) to make the more important adjustments. But in our type of society, where in spite of the formal guarantees of equality, social divisions are many and multiform and occur frequently, automatic adjustment is less and less able to regulate situations, especially those of manual workers of foreign origin and their families.

In this context, mechanical application of the principle of formal equality with nationals is manifestly inadequate. It is pointless, for example, to state that foreigners can enjoy the same advantages as nationals with regard to working conditions, housing, vocational training or social security when the conditions of their employment, their length of residence, the restrictions affecting them and the fact of not knowing the language or of having qualifications that are not recognised prevents them from fulfilling the necessary criteria to benefit from these advantages. Derogations from common law and special measures on behalf of foreigners are therefore necessary. There is nothing new in this: the social and labour legislation for more than a century now has been designed precisely to restore the balance between economic positions that are too different - this constitutes a permanent derogation from traditional civil and public law.

It is therefore necessary to undertake special social action based on as clear an immigration policy as possible and adapted to the requirements of the various groups of foreigners and to the length of time they have been in the country. Action is also required with respect to the national population and especially those who find themselves in daily contact with migrants in their work, living quarters, schools, trade unions and so forth. The forms of such action may vary in view of their necessarily selective nature, but the aims are quite clear. They consist, first, in overcoming discrimination and, next, in preventing foreigners from being isolated, forming ghettos and finally living on the margin of a society which disregards or perhaps even despises them.

The main immigration countries now engage with varying success in activities of this type,(20) but these are in most cases still insufficient. Under the influence of the growing demand for foreign labour on the employment markets of the Western European countries throughout the '60s, admission policies have been slow to take shape or have changed in nature. The differentiation of recruitment sources has introduced new complications owing not only to the socio-economic and socio-cultural "distance" of the countries of origin, but also to the different ways in which the governments of these countries have politically and economically interpreted migratory reality. The rather superficial concept of temporary migration applied without distinction to all, has introduced another factor of uncertainty since it has delayed the realisation of the real nature of the problems and the adoption of differentiated measures.

The steps taken to make up this leeway may be seen in the preparation of new programmes, in increasing participation by unions, and in the greater practical efforts made; they deserve as broad an examination as possible within the OECD. However, the difficulties of this extension should not be underestimated. Social action relating to migrants, as we have pointed out, depends a great deal on the concepts on which admission policies are based. These policies are now quite restrictive in Europe, not necessarily because of the economic situation but rather for socio-political reasons. The concept of immigration which is "controllable" through regulations, administrative practices, the transparency of the labour market and negotiations between the authorities and firms, has generally proved unrealistic in practice. Family immigration has had to be accepted, even in countries which claimed that they were practising an approach based solely on the requirements of the labour market. It has proved difficult to reduce the number of foreigners in the event of a recession, both for social and economic reasons or for reasons relating to the segmentation of the market. Since foreigners were called on where work existed, this has led to large concentrations of them in certain regions which has in turn given rise to serious effects on the material infrastructure and on the sociological environment. Thus, there have not only been serious problems as regards housing, transport and places in schools and hospitals, but also as regards coexistence between different communities and migrants' participation in social life.

The absence of clear aims with regard to the admission of migrants has therefore given rise to a great many strains, and also to uncertainties regarding the social action to be taken. Nearly everyone agrees that the adaptation of an adult migrant newly arrived in the country is essentially a question of social well-being (in the quite restrictive sense of "social welfare") and protection. This

person needs help for his initial installation, for the satisfaction of his immediate needs and for his introduction to work; he also needs help against the more flagrant forms of exploitation and discrimination. But conceptual and practical difficulties arise when the migrant extends his stay beyond one or two years, and especially when he brings his family over. Obviously, he then needs permanent housing and, more generally, broader assistance, but it is equally obvious that such assistance should take the form of a promotion activity. For instance, language instruction should go beyond the immediate requirement and the migrant should be able to reap the full benefit in fact (and not only in theory) of facilities such as continuing or recurrent training, conversion activities, etc. The question of his participation in civic life will then arise and, at the same time, the serious dilemma of integration confined to the labour market and to the essential social relations as opposed to integration with assimilation,(21) which will concern the authorities and other social institutions but mainly the migrants themselves. While generally remaining a "citizen" of his own country (especially in the cultural sense), the migrant will be torn between two different sometimes opposing systems of allegiance. He will have a choice insofar as he fully realises that he has come to settle "in an area whose consistency and value have been created by others",(22) but it will be the duty of the social institutions to allow him to make this choice freely (23) and to recognise that intermediate solutions are also possible. The "difference" of the adult migrant (which will in any event continue) cannot be considered as a valid reason for depriving him of benefits which are the counterpart of his contribution towards the common weal.(24)

Among all the social problems involved in migration, the education of migrants' children is always one of the most serious. Should these children be educated only in the language and culture of the host country or should arrangements be made to enable them to retain at least a few elements of the culture and language of their country of origin? Or is it possible to give both languages and cultures the same status and prestige? The answers to these questions depend on the attitude of the migrant family, but also in practice on the facilities which both countries concerned are prepared to offer. The attitude of the host society is also important since it is being asked to be sufficiently broadminded to appreciate the enrichment which the existence of twin-culture households can represent for it. This attitude cannot be spontaneous, hence the frequently-stressed need for educational action in this field.(25)

C) CAN EMIGRATION BE MADE WORTHWHILE FOR THE COUNTRY OF ORIGIN?

We have endeavoured in the preceding paragraphs to demonstrate:

a) that the "population surplus" philosophy and the purely legal approach have finally consecrated (instead of overcoming) the asymmetrical respective positions of the manpower-supplying and -utilising countries;

b) that the immigration countries are in a dominant position and are therefore able to control the ebb and flow of migrants;

c) that the existence of modern employment possibilities cannot check a considerable outflow when nearby (although not necessarily contiguous) employment markets offer higher pay and better working conditions than those on the national market.(26)

This last remark refers to the existence of competition for labour between regions with apparently comparable economic development. However, it cannot alone account for the typical migration in Western Europe, i.e. essentially from the Mediterranean Basin. The latter is a sign of very unequal stages of development and of various inducements, among which government attitudes were at first particularly important.

From the immediate post-war period up to 1960, it was officially believed by the less industrialised countries that migration offered many advantages because it could help:

- to reduce internal unemployment and under-employment problems;
- to provide emigration countries with a foreign exchange income which would be very valuable both for the equilibrium of the balance of payments and for productive investment;
- to raise migrants' level of training, qualifications and working capacity, which should benefit the development (among other things) of the emigration countries when the emigrant workers returned home.(27)

Returning home

It will be noted that emphasis was put on returns, which from the dialectical standpoint balanced the concept of population surplus, agreed fairly well with the concept of development through manpower training and avoided some of the criticisms levelled at emigration for at least the past century.(28) "By their preference for temporary as opposed to permanent migration, and consequently by favouring the emigration of workers to Europe, the governments of a certain number of Mediterranean countries were aiming at a long-term goal: the realisation of their development plans, to which it is hoped that emigrant manpower will contribute on its return home".(29)

The surveys carried out by the OECD, discussions in its Working Party on Migration and the information collected more recently by the ILO (30) have shown that homeward flows have had little positive effect on the economies and societies of origin. There are many reasons for this, which may nonetheless be reduced in substance to two:

a) the emigration countries did not find in themselves the resources necessary for reducing the distance separating them from the more industrialised countries, and

b) any contribution which migration could have made in this field is in contradiction with the effect it really produced, i.e. to provide the immigration countries with manpower for certain specific jobs which are well-rooted in the employment structure and to act as a socio-political escape valve in the countries of origin.

The parallel evolution observed in the two groups of countries is striking. In the immigration countries, the immigrants were inserted in a society and structures where they were confined to subordinate positions almost always without prospects foom the occupational viewpoint. In the countries of origin, the majority of migrants returned to a society and productive structures over which they had practically no influence and in which they could only be reintegrated on similar terms to those they had experienced before their departure. In short, objectively, contemporary migration in Europe has played a role of conservation rather than one of innovation. This was in any case natural: migrants do not belong to the ruling classes and, above all, they do not find in the societies surrounding them the conditions under which they could become a factor pushing for change. Even the small pecuniary enrichment which takes the form of the purchase of housing, the enlargement of small farms and the opening of workshops (whose importance should not be under-estimated) has not so far given the hoped for results.

It was on the basis of these observations that in 1971, after studying cyclically-determined returns, the calculations based on such returns were defined as illusory (31) and it was stressed that there was a need to state frankly both the problems of integrating migrants in immigration countries and those of national development in the emigration countries.(32)

These interpretations may seem too general and too static. Perhaps we do not have the necessary time perspective to be able to define significantly the effects of emigration. It will be agreed, however, that the problem put here is quite narrow. Can emigration on its own (i.e. unaccompanied by appropriate measures concerning returns) contribute towards the qualitative improvement of the labour force in the less industrialised countries? It would seem that as a

general rule the answer to this question must be in the negative. In point of fact:

a) The number of skilled jobs taken by foreigners in the immigration countries is relatively small. In France, the number of skilled workers in 1972 was no more than 26 per cent of the total number of foreigners employed. In that same year, this rate was 16-18 per cent in Germany.(33)

b) It is intuitively evident (OECD surveys and confrontations confirm this) that it is precisely the skilled workers who have the greatest chance of being integrated in the immigration country and remaining there.

c) The relatively large number of so-called "semi-skilled" workers (or "agents de production") in France, i.e. 31-32 per cent of the total number of foreigners, or of "angelernte Arbeiter" in Germany, i.e. 41-47 per cent, should not be misinterpreted. As a rule, the only difference between these workers and unskilled workers is that they have attended a short course of initiation into their work. The fragmentation of jobs, which is often pushed to its extreme limits, makes the semi-skilled worker above all a performer of repetitive and automatic tasks. It is true that there are some semi-skilled workers who are required to pay constant attention and to apply a certain method, but they are only a minority. In any event, the work of the semi-skilled worker is almost completely devoid of autonomy. "Denied free movement of his limbs, the semi-skilled worker is a very different kind of manual worker from the artisan of the craft period, although he is his successor."(34) The result is that the only real training the semi-skilled worker receives in most cases is no more than being taught a habit of industrial discipline. This may be important but it is an insufficient basis for putting this type of worker purely and simply into another firm which may be similar as regards the goods produced but in which production processes and work organisation are different. In practice, the contribution which this category of migrants could theoretically make in the event of a hypothetical return to their home country would probably not exceed a third of their numbers. And they would be mainly workers employed in small firms or workers transferred from the parent firm to a subsidiary established in those countries.

These facts and type of experience together with the socio-economic environment in the emigration countries explain the marked propensity of former migrants to go into independent activities. We might also mention the absence in some cases or the limited aims in others of the repatriation policies of the migration countries.(35) However, the fundamental constraint is still due to the shortage of modern employment in the Mediterranean countries.

The concept of modern employment is accompanied by that of a satisfactory wage. It is the inadequacy of wages (which encourages departure and discourages return) which no doubt deprives the Mediterranean countries of a relatively large number of workers who are, if not skilled, at least experienced or educated.(36) The function of absorbing unemployment and under-employment, which normally falls to emigration, is thus partly neutralised. This is a complex phenomenon whose implications should be examined more deeply (37) in the light of the policies of the various countries and of their different situations.

These few remarks illustrate the problems which the emigration countries may meet when emigration increases. Difficulties in replacing manpower, loss of production, unemployment due to the departure of trained staff, wage pressures and cost inflation, and obstacles to regional development are normally on the list of criticisms of emigration.(38) These consequences could only be partly compensated for since competition for labour stimulates a beneficial wage growth trend, both in industry and agriculture, increases the rate of participation on the labour market and helps to raise the capital-labour ratio (39) (if the necessary capital and know-how are available).

Remittances

It is often pointed out that the production deficits entailed by emigration, especially of experienced or skilled workers, are only an opportunity cost largely made up for by emigrants' remittances. These undeniably have positive effects on the balance of payments of the countries of origin. By way of example, the following statistics concerning three emigration countries are taken from sources available to the OECD.(40) These figures give information on the trends observed over the last decade.

The following points should be noted:

i) The constant increase in emigrants' remittances over the period for all three countries. This is smaller in 1967-68 for Spain and Greece, probably because of the German recession (the figures of transfers from Germany show a corresponding reduction for these same years).

ii) The size and significance of these remittances. In the case of Portugal, in 1967, 1969, 1972 and 1973, and Spain, in 1972, migrants' remittances were sufficient to reverse the deficit on goods and services in the current payments balance.(41)

iii) The exceptional performance of Portugal, where the rise in remittances was not affected by the situation in 1967-68.(42) This country has very high figures compared with the two others: the items on line (d) are virtually

US $ millions

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
PORTUGAL														
a) Balance of goods and services	-125	-273	-116	-135	-138	-145	-148	-104	-236	-214	-390	-492	-414	-564
b) Official transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Private transfers of which	80	75	85	109	138	151	199	269	314	416	507	664	872	1111
d) Emigrants' remittances	48	45	51	65	70	99	136	200	208	266	324	456	596	740
e) Balance of current payments a) + b) + c)	-45	-198	-31	-26	-	6	51	165	78	202	117	172	458	547
SPAIN														
a) Balance of goods and services	302	60	-171	-445	-289	-845	-983	-906	-690	-926	-580	88	-295	-856
b) Official transfers	33	46	12	6	4	2	2	5	-1	-18	-	-5	-9	-7
c) Private transfers of which	58	116	209	251	316	358	416	445	448	550	659	772	875	1421
d) Emigrants' remittances	55	116	146	195	237	298	346	320	319	400	467	548	599	913
e) Balance of current payments a) + b) + c)	393	222	50	-188	31	485	-568	-456	-243	-394	79	855	571	558
GREECE														
a) Balance of goods and services	-188	-199	-294	-261	-396	-492	-475	-425	-499	-636	-763	-833	-949	-1919
b) Official transfers	37	38	75	43	18	16	5	6	2	2	2	1	1	-
c) Private transfers of which	90	98	139	168	177	207	235	232	238	276	341	454	568	732
d) Emigrants' remittances				(idem)					239	277	243	458	567	735
e) Balance of current payments a) + b) + c)	-61	-62	-81	-50	-201	-269	-235	-187	-259	-358	-420	-375	-380	-1187

the same, but the effect is greater for Portugal since its GNP is approximately a sixth of Spain's and half that of Greece.

Figures concerning Yugoslavia (1969-72), although presented differently, show a similar trend and incidence:(43)

	1969	1970	1971	1972
Trade balance	-660	-1.190	-1.140	-990
Services and transfers, net	560	860	1.110	1.128
of which, emigrants' remittances	210	440	650	790
Balance of current payments	-110	-340	-320	300

The situation is the same as regards Turkey,(44) with particularly striking results for 1973.

	1969	1970	1971	1972	1973
Trade balance	-129	-260	-372	-522	-572
Services (net)	10	91	272	538	1.108
of which, emigrants' remittances	141	273	471	740	1.183
Balance of current payments	-143	-107	-9	72	611

It can be seen that the figures on transfers do not by any means give a complete picture of the capital flows to the country of origin arising from migration, since these figures do not entirely account for all these flows. They may, for example, be sums directly exchanged by migrants or transferred unofficially. They may also be transfers made for social security.(45) To return to our point of departure, it will be noted that the non-existence (or impossibility) of objective estimates on the (real or pretended) loss for which emigration is responsible means that the economic and social (and not only accounting) effect of the monetary flow it creates cannot be fully calculated.

These flows may provide foreign currency which can be used to purchase investment goods abroad, thus enabling expansion of employment by the development of productive capacity. These flows also create additional demand for consumer goods which can have positive effects on employment when this demand is directed towards goods which are already, or are likely to be, produced locally. If this extra demand could not be satisfied by an adequate national supply, there might well be an increase in prices or imports of these goods.

The positive effects of this contribution of foreign currency would thus be neutralised to such an extent that, according to some people, it would cause serious upsets in the development of the system and even permanent inflationary tensions. There can be no hard and fast answer to this type of argument; it would require a study of each case and an evaluation, over a representative period, of many facts which are not well established. It is sufficient to repeat here that majority opinion considers that these flows have positive global consequences in practically all circumstances.(46)

Their agreement with this view did not, however, prevent the Working Party on Migration from noting that the destination of these funds in the system was not always in line with their best utilisation, particularly when they went to sectors which are often already overflowing, such as small services businesses. For this reason the Working Party on Migration decided to undertake a study of the more general question of the utilisation of migrant workers' savings with a view in particular to examining the possibility of attracting these savings to more productive activities which may have a proliferating effect on employment. "Rationalisation programmes (which would be accompanied by co-operation from the countries of immigration in the form of technical assistance and vocational training) might perhaps help to 'prime the pump', that is, by inducing firms in the countries of immigration to invest more heavily in the migrants' own countries of origin rather than in any which were already industrialised or far remote. In this context, it seemed quite clear that action concerning the investment of migrants' savings should be made a part of regional development policies and that any and all sectors with future prospects should be taken into account".

This question has been debated and studied in OECD (47) but this examination is not yet finished. For the time being we shall confine ourselves to the following remarks:

1. The measures adopted by the emigration countries have been aimed principally at increasing the flow of savings, hence the rather secondary nature of the efforts made to guide the utilisation of these savings.

2. These efforts have included encouragement for house purchasing as well as for farming, crafts and trade, but only Yugoslavia and Turkey have endeavoured in different ways to promote direct investment of these savings in business of any size.

3. The consequences of this action on the creation of jobs have therefore been quite marginal, and in some cases distortions have occurred or have increased.

4. These measures should therefore be reviewed in order:

a) to ensure that the creation of new businesses by former migrants fits in with a strategy of rational development of the small enterprise;

b) to support co-operative ventures that are recognised as valid;
c) to prevent house purchasing from becoming speculation or from proliferating in areas which have no future;
d) to enable migrants to invest their savings in industrial enterprises whose expansion can contribute towards the country's development;
e) to amend the banking, tax and customs legislation to this end and the technical methods of granting loans and finance;
f) to provide migrants and groups of migrants who wish to invest their savings in businesses recognised as useful for employment purposes with assistance in the administrative, tax, technical, professional and other fields;
g) to ask immigration countries to contribute towards these efforts, particularly with regard to i) vocational training, ii) the management of small enterprises and co-operatives, and iii) the creation by migrants of funds to finance ventures in their home country.

Organisation of the migratory chain

Having considered the question of returns (and reached rather negative conclusions on their impact on the development of the home country), and the question of remittances (whose positive role could be strengthened by appropriate measures which had still to be defined) the Working Party concluded that finally the problem of making emigration worthwhile could no longer be posed in terms of mechanisms, but only in terms of the chain of effects (or the "migratory chain"). The Group underlined that it was not so much the various elements of this chain which should be studied but rather how to organise it through experiments. With this in mind, a programme of practical activities on re-integration of migrants in their home country has recently been drawn up in OECD. According to the basic assumptions of this programme, the system to be introduced should be aimed at:(48)

a) giving migrants precise information rapidly on actual employment possibilities in their own country and putting them in touch with potential employers;
b) guaranteeing these workers housing in the district in which they are to re-settle and taking special measures on their behalf and on behalf of their families relating also to children of school age;
c) providing retraining measures for returning migrants in order to enable them to take a job in a higher occupational category or, more simply, to perfect their skills or learn

a different trade from the one they had abroad, or else to prepare them for work on their own account;

d) accompanying these activities by measures to attract savings and use them for development and employment purposes;

e) setting up as extensive an information network as possible covering the various fields which may be of interest to migrants and their families and using language which is comprehensible to its potential customers;

f) tying these measures closely in with those relating to departure and work abroad so that the various links in the migratory chain (emigration, residence abroad, return) can actually become the stages in an experience which is both unique and highly profitable to those who want it.

The OECD study will make it possible to examine in detail the extent to which these principles have begun to be applied in practice in the emigration countries and to see what results have been obtained.(49) The activity undertaken in association with the OECD Technical Co-operation Service should give us a clearer idea in future of the actions carried out in particular by the OECD Mediterranean countries.(49) We shall confine ourselves for the moment to observing that, apart from those in the savings field, very few experiments seem to have been carried out in these countries, which would appear to confirm the rather qualified opinion given by the Working Party in 1971.(50)

Bilateral programmes do not appear to have got beyond the experimental or design stage. The Turkish-German and Dutch ventures are worth mentioning, however:

1. An agreement signed between Germany and Turkey in 1971 (and amended in 1972) provides that skilled workers who have been employed in Germany for a certain time may attend advanced training courses in enterprise management specially created on their behalf. These courses are given for nine months in Germany, followed by three months in Turkey. Their purpose is to enable migrants to re-enter the Turkish economy as workers on their own account. This agreement is accompanied by a second instrument concerning the extension of long-term credits to launch projects which are guaranteed by a fund set up for this purpose on the basis of equal contributions from both governments. "It may be argued that this programme may encourage small individual projects which do not concord with a developing country's economic growth strategy. But by laying emphasis on mutual responsibility for the adaptation of the worker returning to his home economy, it can constitute a model and prototype for policy co-

ordination and harmonisation between emigration and immigration countries when it is decided to plan the 'ebb' of migrants at international level."(51)

2. A similar measure has recently been taken by the Netherlands. It is one of a number relating both to immigration and aid to less-developed emigration countries. The Government intends to facilitate a fairer division of labour by helping to create relatively labour-intensive industries in the less-developed countries. Finance will be given to special projects prepared in the countries concerned. In addition, training courses will be organised for migrants who wish to return home. These courses will be given both in the Netherlands and in the countries of origin, but in both cases the syllabuses will depend on the special requirements of the latter. For the future, funds might be transferred to credit institutions in the less-developed countries which could thus finance the productive ventures of former migrants having regard to their experience and training.(52)

Obviously, these are not the only measures conceived or already tried out to increase the value of emigration. The most recent ones include the suggestion that part of the taxes and other contributions paid by workers in immigration countries should be transferred to special funds with a view to creating jobs in their countries of origin.

III. THE BALANCE BETWEEN MIGRATION AND THE INTERNATIONAL MOBILITY OF CAPITAL

As the criticisms levelled at migration became more pressing, interest revived in the alternatives, especially among a large section of public opinion and politicians in immigration countries. It is, in fact, these countries which have brought the matter up at a time when, mainly for socio-political reasons, they are beginning to question their capacity for absorbing more and more foreigners from countries which are increasingly different.

As we have noted, the fundamental problem still facing the industrialised countries is how to remedy the disequilibrium between the relative proportions of the factors of production. If immigration is excluded, two kinds of action are possible in this field: a) to adjust the stock of capital to the supply of labour on the national market or b) to increase thie supply by means other than immigration. As we know, active manpower policies have tried to tackle this last problem, but the results have generally been regarded as inadequate.(53) So far as the adjustment of capital is concerned, three methods are possible:

i) reducing its formation, i.e. slowing down economic growth;

ii) increasing capital-intensiveness in the productive process, and

iii) exporting it, i.e. investment abroad.

These last two methods attune quite well with the idea which the industrialised countries of Europe generally have of their economic possibilities and of the role they assign themselves in international relations. Briefly, the industrialised countries would develop the more sophisticated types of production and those which are very capital-intensive as well as scientific and research activities in management and marketing, finance and insurance etc. Through the export of capital they would progressively transfer the other kinds to less-developed countries so as to substitute at least to some extent, direct investment for exports, and to contribute to the industrialisation of certain countries which provide energy and raw materials. Further immigration would be reduced to the number of units essential for a certain flexibility during the transition

period and to guarantee certain activities that are of course necessary (such as community services, mining, building and construction) but are on the whole less important as far as the quantitative and social impact of foreign presence is concerned. The result would finally be to "reproportion" that presence, which would in any case be subject to the pull and push mechanisms already mentioned.

This idea of transferring capital rather than men is attractive insofar as it can reconcile "ethics" with "economics". It corresponds to wishes often expressed by international bodies and by economists whose authority is universally recognised.(54) Insofar as it can really constitute a method of creating jobs in the home countries of migrants to Western Europe, it is worth careful examination. Nonetheless, a policy of this type should be preceded by a serious analysis of the concepts used, of its approximate social cost and, in short, the possibility of putting it into effect. This is necessary to ensure that this idea does not become a new pretext for evasion thus confirming the most pessimistic opinions.(55)

The Working Party has often claimed that this policy would challenge both structures and behaviour and might, at least initially, cause the immobilisation of capital and heavy costs; and it is not known to what extent they would then be compensated by productivity gains.

1. As regards productive structures and employment, this policy would in particular involve:

a) faster mechanisation in a direction yet to be determined (56) and reconsideration of the optimum size of firms;

b) reviewing the content of jobs, the interdependence between skilled and unskilled jobs, the organisation of work and the methods of vocational training;

c) reconsidering the policies of aid to the country's less-developed regions where the creation of highly labour-intensive industries has often been encouraged;

d) reviewing certain activities in the services sector with a view to changing their development;(57)

2. On the social level, this same policy might give rise:

a) to a marked contraction in the range of wages and, more generally, in income disparities;

b) to reconsideration of educational systems, their orientation and their length;

c) to the adoption of measures to increase the rate of participation of the country's own population in the labour market, which may involve both amending the measures relating to working hours and the length of active life and introducing new methods for encouraging such participation;

d) to the implementation of new measures of assistance for people whose redeployment proves impossible or difficult.

3. With regard to behaviour, this policy should in particular include action to enhance the image of industrial employment in general and of manual occupations in particular to the extent that the latter keep their specific characteristics.

But the list of problems to which this policy may give rise does not stop there. In the countries with the highest immigration rate, in addition to the "activisation" by methods as yet unknown of social and manpower policies, it involves i) new forms of co-ordination and co-operation between the responsible authorities, firms and the trade unions, ii) a new structural policy and a clear choice as to what may be produced or purchased abroad, transferred or sub-contracted out, iii) reconsideration of the discipline of international trade and action to guarantee that the transfer of capital is kept within the desired limits, and iv) a new type of co-operation with the less-developed countries.

This co-operation should in substance conform to the principle that migrants' home countries are not only contracting parties to agreements but real "allies".(58) These allies pursue a common target: fair distribution of available work, man's fulfilment through work and balanced growth for the areas concerned through the rational utilisation of human resources. International law would then be enriched by a new type of instrument. The custom of operational international agreements on development co-operation should in short become general practice in order to obtain maximum benefit from the various stages in the migratory chain: departure, residence abroad, possible return. The aim would finally be to establish a social and manpower policy at international level while undertaking a redeployment of productive activities. This policy would not necessarily be philanthropic: it could, on the other hand, be rational. The industrialised countries of Western Europe can in fact no longer afford to have large fractions of marginalised or proletarianised populations within their frontiers or at their gates without running the risk of serious disturbances. If they wish to preserve their cohesion by restricting immigration, they will necessarily have to promote economic co-operation to raise the standard of living in the countries around them. On their side, the ruling classes in the emigration countries have every interest in adopting a positive attitude. It is not by impeding emigration or exploiting nationalist ideologies that they can in the long run smother the feeling of dissatisfaction which their working class feels when comparing its own standard of living with that enjoyed by people in better endowed countries.

When we turn from these fairly abstract considerations to observation of the facts, we perceive that this policy has hardly ever been applied, except with regard to restrictions on the entry of foreigners and improving their integration. The reduction in the flow of entries, which was already apparent as from 1970, has become greater as a result of the "energy crisis".(59) But the problem of alternatives to immigration will come up again, perhaps as early as 1976, when it will not only be a question of reviving growth but of giving it new connotations. At that time, it will be necessary to decide whether it is desirable to call for new contingents of foreign manpower and how this is to be done, or whether the policy described above is practicable and for how long. This policy should be accompanied by a policy of investment abroad which aims at penetrating not only those markets where labour is underpaid or which have rich prospects or are near to energy sources. It is understandable that firms should prefer to look for those openings which they regard as most interesting, but the considerations we have sketched out should persuade governments to guide such investment also towards the countries which have up to now guaranteed the prosperity of their economies by providing them with manpower.

The reduction of immigration might provide the opportunity to increase investment in migrants' countries of origin, but it is difficult to see how, in the absence of a concerted policy, the movement of productive capital to these countries can become so great that it neutralises the principal causes of emigration. It is not merely a matter of volume but also of types of investment. The intrinsic logic of investment does not necessarily coincide with the logic of employment, and the capital which becomes available as a result of measures restricting immigration may be directed elsewhere than to migrants' home countries. It may also go to the latter but give rise to investment that is not very productive as regards the creation of jobs. In point of fact, these countries may not always combine the conditions which, to the eyes of foreign investors, make an investment or a certain type of investment attractive. These conditions cannot be defined in the abstract since they vary a great deal. Without claiming to provide an exhaustive list it may be said, nevertheless, that they depend on factors such as: market possibilities, geographical location, competitive position, availability of raw materials and skilled and uuskilled labour, the cost of such labour, the state of industrial relations, the existence of earlier modern installations, of external economies and of related enterprises, the attitude of the ruling classes and of the population, possible regional policies, economic and social legislation and the treatment of foreign capital (for example, as regards taxation, the repatriation of profits and the possibility of association with local capital).(60)

We do not as yet have any figures on which to base a comparison of the flow of investment to migrants' home regions with that of investment in other areas, but the opinion is widely held that migration and capital movements are not necessarily in one direction only. This is quite natural when we remember the economic role that immigration has played in the industrialised countries of Europe (which are at the same time large exporting countries) and when we remember the proximity of the countries of employment and departure. A relationship has been established in which the labour markets around the Mediterranean have proved themselves to be complementary to those in the industrialised European countries. This phenomenon has resulted in a definite advantage for employers; it may also have been advantageous to the emigration countries, since imports of productive capital would not have enabled them to create as many jobs as through emigration nor engendered any larger national savings.(61)

The OECD's research on certain regions in the emigration countries (62) has shown that modern investment was followed by very little chain reaction and proliferation of industrial employment. The decline in traditional industries did not stop (it has perhaps speeded up) and employment was seen to fall off in this sector. The building industry has become temporarily swollen because of infrastructure work and the building of new establishments. An urbanisation process has appeared which has increased employment opportunities in small tertiary businesses and generally throughout the services sector. From the point of view of labour supply, the reserve has increased as a result in particular of the flight from the land, but at the same time the unsuitable quality of that supply for the demand from new enterprises has entailed a persistent shortage of technicians and skilled workers. In short, the modern industrialisation process in which these regions were involved has had rather contradictory consequences. It has helped to speed up the break from the old productive structure, but has made little contribution to replacement structures when we consider the aspirations and behaviour it has given rise to. The increased manpower reserve has helped to consolidate a "secondary" labour market and has finally encouraged emigration instead of discouraging it.

This picture is similar to others which the literature on development has been giving us quite frequently for a number of years. It demonstrates that modern investment (and especially foreign investment) can only be a valid alternative for emigration when it fits harmoniously into a coherent framework of regional development and is accompanied by appropriate technical assistance. But the problems do not stop there since, in our case, we have to curtail or cut off certain types of investment in the industrialised countries, which means that they have to adopt very incisive policies, especially as

regards the conversion of productive structures and manpower. In short, the action to be taken cannot be confined to capital and enterprises alone but must be the fruit of concerted planning.

The action to be taken in this general framework should also obey certain principles which vary from one case to another and are difficult to define in the abstract but may be put very roughly as follows:(63)

1. Foreign investment should not concern industry only; agricultural activities should also be considered;
2. Industrial settlement which would be cut off from the local economic context and incapable of producing a chain reaction should be avoided. (These are the "cathedrals in the desert" or "enclaves" found in the terminology of certain experts);
3. Provision should be made to associate the host country with foreign ventures (the utilisation of migrant workers' savings might be considered in this context);
4. Manpower training and retraining activities might become an integral part of investment programmes. The same applies to organised returns of immigrants. These activities could be financed in various ways,(64) but the participation of firms should in any case be envisaged;
5. The repercussions of the wage policies of new enterprises on economic and sociological plans should be carefully examined.(65)

These considerations (very far from being exhaustive) should put us on our guard against too optimistic expectations. The execution of such programmes can be made extremely difficult by the autonomy of firms' decision-making, opposing customs and interests, the problems of co-ordination and financing, and the trend of international relations and internal policies. In any event, we cannot expect large-scale ventures to be launched in the near future. In "normal" times (i.e. when the rate of inflation does not exceed 5 per cent per annum), experiments of this type could probably be made quite quickly. In view of the delays involved in the present situation, a serious overall programme of conversion and "redeployment" at international level could only be carried out in the long term. This does not prevent research being started in both groups of countries concerning, for example, potentially transferable activities and jobs, the training needs thus created and the net effect on employment as well as other important effects (in the technological field, for example). (66) Multilateral surveys and discussions could also be held to which the Working Party, the Development Centre and other OECD bodies might contribute. It is also important that the experiments envisaged, begun

or terminated,(67) including those confined to firms, should be brought to the attention of interested institutions.

A first exchange of views on these matters took place in Vienna in May 1974 during a Seminar organised by the OECD Development Centre on "International Migration in its relationship to industrial and agricultural adjustment policies". The conclusions of this Seminar contain suggestions concerning policies and proposals for research. It will be noted especially that they:(68)

a) stress the non-existence of coherent policies in this field;

b) recommend the implementation of a policy of returns with a view in particular to the integration of migrant labour in activities corresponding to the home country's development needs;

c) stress the importance of immigration countries' realisation of this problem with a view to the "redeployment" of industries at international level;

d) briefly consider the concept of the international division of labour, emphasize certain negative aspects of the present trend and set out a few principles concerning the options that must be chosen in order to make this concept operational;

e) examine certain aspects of the relationship between migration and agricultural development and consider measures for putting the migratory movement to profit, with a special view to the modernisation of the socio-economic structures of agriculture in emigration countries;

f) give a list of activities in respect of training and cultural aspects which can both improve the condition of migrants and their children in the immigration country and facilitate their social and occupational promotion should they return home.

IV. CONCLUSIONS

The exchanges of views within the Working Party, and the reflections to which recently undertaken research work gives rise, indicate that at least in Europe (but perhaps also in certain countries elsewhere), a fundamental change has taken place in the significance of the migration phenomenon over the course of the last two decades. They lead also to belief that the conceptual apparatus of those responsible for decision-making in this highly sensitive area has not always developed appropriately and that the instruments at the disposal of governments to treat the problems which face them are not always wholly adequate.

We shall limit ourselves here to a resumé of the principal findings of this report, while underlining their problematical character.

a) The ideas of "surplus" and "shortage" of manpower, and their market clearance by means of migration, have become more and more questionable.

b) As concerns immigration:

- The steady growth experienced by the industrialised countries has caused an expansion of employment without however modifying employment structures in any depth.(69)

- These rigidities in the employment structure and in the behaviour of the active population (revealed by a distaste for certain jobs) have been largely mitigated by the flexibility which foreign workers have infused into the manpower supply.

- The original requirements for a kind of task force, brought in to meet immediate needs which were thought at the time to be a transient feature of the economic scene, have turned into an overall necessity pari passu as recourse to this source of manpower supply has intensified. Migration has thus made apparent structural deficiencies.

- For social and political rather than economic reasons, the immigration countries have decided to restrain the "flows" while maintaining the volume of "stocks" at a steady level. In order to do this, they have been driven to facilitate the integration of former migrants and their families into the host community.

- Thus future recourse to foreign manpower is likely to be effected less through the limited flows for maintenance and substitution of stocks, but by entry into the work force of the ever-increasing number of families who have come to join their working members. It is probable that the second generation of foreigners, the sons and daughters of immigrants, because of the integration measures from which they benefit, will display behavioural characteristics towards employment more close to those of the native labour force and in any case different from those of the first generation.

- So much so that in the longer term, and on the assumption that growth, even if appearing under a new guise, will nevertheless be resumed, the problem of adapting the manpower supply to the employment structures, or of adjusting the latter to the former (insofar as this is compatible with technological imperatives), will occur again.

- The countries concerned will thus find themselves faced with a choice of either a) continuing to resort to a controlled form of immigration, and adapting their reception structures accordingly, or b) giving up immigration altogether (or being content with a weak flow) and designing new employment structures - for recourse to as yet unexploited national sources of manpower will only postpone the moment of decision - in order to enable their production apparatus to be remodelled.

- Either case will involve a social cost. It will be necessary to calculate how much this is and ensure that the burden is shared in the best way possible.

c) With regard to <u>emigration</u> countries, it is difficult to speak of their having any objective opportunity of choice insofar as emigration is in general the consequence, not the cause, of a degree of development lower than that of their neighbours. It will be observed that up to now an individual's right to emigrate is sacrosanct in all countries of OECD (and it is important that it should continue to be so) although there is no equivalent right to immigrate. Thus countries of emigration are incapable of controlling supply on the international labour market although countries of immigration are able to control the demand.

- It follows that on this market, as on that of raw materials it is the buyer who decides and not the seller. However, while in the case of certain raw materials the economic relationship between the two is in course of evolution, the same does not seem to be true for manpower.

- The measures which countries of emigration can take in order to increase the utility to themselves of that emigration are necessarily of limited scope. Whether it is a question of arranging

returns home, or of utilising savings, or of organising the "migratory chain", such initiatives can only be made worthwhile if the immigration countries contribute to them; in that respect actions which have already been started could well be substantiated and extended.

d) These new approaches raise the question of a new strategy in the relations between countries of immigration and emigration - that of "deployment" or "adjustment" in and between industry and agriculture - which remains to be defined. It is important to avoid allowing this new strategy: i) to be influenced by traditional patterns of development; ii) to bring about an effect of domination by investors; iii) to lower the level of employment of the disadvantaged groups in the industrialised countries.

Present circumstances, notably the need to control inflation and to conceive new models for growth, are liable to delay the implementation of such a new strategy. This is not however a justification for failure to seek new solutions to a problem which reformulates the whole question of development and co-operation between the countries of OECD.

Annex

GUIDING PRINCIPLES FOR FACILITATING THE ORIENTATION OF NATIONAL POLICIES AND THEIR CONCERTATION AT INTERNATIONAL LEVEL

The countries concerned by specific migratory flows should, as far as possible, act in concert when required to take important relevant decisions, taking due account of the needs of both communities (of origin and of reception), and in order to avoid the need for unanticipated changes in policies.

In so doing the countries involved should make an effort to look beyond their immediate needs and base their policies on an objective appreciation of the long-term consequences of the choices made, according to whether they decide to promote or to restrict the migratory flow. In either case both kinds of country should assess the social costs of the various options so as to be better informed when allocating them between the parties concerned.

In this respect, the immigration countries should evaluate the structural consequences of the options with which they are confronted; whether to continue to resort to major inputs of foreign manpower, which will require a corresponding adaptation of their reception structures (and some adjustment in behaviour and mental attitudes), or to put a stop to (or considerably restrain) new entries in order to maintain the volume of foreign manpower more or less constant if not to reduce it somewhat, which will demand an adaptation of employment structures and a remodelling of production structures (with similar consequences for behaviour and attitudes).

Decisions concerning the utilisation of foreign workers have thus profound implications for manpower policy. It is important that these two types of policy should be better integrated than they usually are. The same is true for social policies, for which the various institutional mechanisms should be equipped in such a way as to facilitate the adjustment or integration of foreign workers and their families in the host community.

Emigration countries can either facilitate outflows or abstain from intervention, or, further, **counterbalance** the propensity to emigrate by positive measures. They must define these options more clearly, taking account of development requirements and including in

their development plans assumptions as to the desirable or tolerable volume of emigration.

Whether it is a question of making emigration more useful as a development tool, (by vocational training, counselling, or use of savings) or of offering valid alternatives to those emigrants who have returned to the country, or who are liable to do so, (through job creation and adjustment measures), it is important that the countries of emigration should elaborate, with the aid of the immigration countries concerned, adequate institutional mechanisms and means of intervention.

This type of co-operation should be conceived in such a way as to open out on to a new strategy of international adjustment, at economic and social level, based essentially on a community of objectives rather than on traditional models of development aid. Within this strategy, the co-operation of the immigration countries in the industrial and technological development of the emigration countries, considered as an alternative or a complement to migration, assumes increasing importance.

FOOTNOTES

1) This doctrine was based in substance on the following principles:

   a) growth and full employment in the more industrialised countries depend on the availability of an abundant supply of labour;
   b) the problems of the poorer countries could be more easily overcome if these countries were able to reduce the pressure of their manpower surpluses on their society and economy.

   The influence of the ideas of Sauvy, as well as those of Keynes and the champions of the so-called "stagnation" theory, is fairly evident with regard to the first principle (for a fairly complete review of these arguments, see the United Nations publication The determinants and consequences of population trends, New York, 1973).

2) It should be noted that:

   a) two countries - Portugal and Turkey - which had refused to subscribe to the 1953 Council Decision, came round to it nearly 20 years later, probably at the time of their negotiations with the European Communities;
   b) the authors of Article 48 of the Treaty of Rome on workers' "freedom of movement" based themselves largely on the OEEC's work.

3) Manpower movements and labour markets, by B. Kayser, OECD, 1971.

   Cyclically-determined homeward flows of migrant workers, by B. Kayser, OECD, 1972.

   The Effects of the Employment of Foreign Workers, OECD, 1974.

   (Introductory Note by the Secretariat);

   (The Economic Effects of the Employment of Foreign Workers with Special Reference to the Labour Markets of Western Europe, by W.R. Böhning).

   (The Economic Effects of the Employment of Foreign Workers, the case of Switzerland, by D. Maillat).

   The Utilisation of Migrant Workers' Savings with particular reference to their use for Job Creation in the Home Country, by G. Schiller, OECD, 1974 (roneoed document).

4) This interpretation (sub.paras. 1 to 7) is essentially a summary of discussions in the Working Party on Migration (see in particular Böhning and Maillat, The effects of the employment of foreign workers, op.cit.) They are logical rather than historical, since the various causes of immigration have had differing effects according to the country, and the policies have not been exactly the same. The intensity of some of the effects may also vary. The structural importance of the presence of foreigners, for example, may have quite another meaning for Germany and Switzerland than for France because of very different demographic factors (cf. Demographic trends from 1970 to 1985, OECD, 1974).

5) As regards the persistence of under-employment in regions which are nonetheless subject to an industrialisation process, see B. Kayser, Manpower movements and labour markets (report on the findings of surveys conducted by various experts), op.cit.

6) See Allefresde, Finnish emigration to Sweden and its consequences, OECD, 1972 (roneoed document). According to I. Baučić, the average earnings of a worker in 1969 were 318 per cent higher in Western Germany than in Yugoslavia (see, "Some economic consequences of Yugoslav external migration", Symposium on immigrant workers,

6) (continuation of footnote on previous page)

Paris, June 1974). This comparison, although still too general, is quite significant.

7) An approach using instruments from different disciplines could begin to explain the interdependence and actions and reactions which operate in all of these factors, but any really systemic approach would come up against the scarcity of data. For an outline of the theoretical possibilities of such an approach limited to the field of relations between immigration and the economy, see Reiffers, Note on the need for and methods of a systemic approach to the effects of immigration in host countries, OECD, 1972 (roneoed document).

8) See Kayser, Cyclically-determined homeward flows of migrant workers, op. cit; Böhning in The economic effects of the employment of foreign workers, op. cit.

9) See Tapinos, Note on the statistical approach to foreign immigration, OECD, 1972 (roneoed document).

10) Ausländerbeschäftigung und Flexibilität des Arbeitsmarktes der Bundesrepublik Deutschland, Cologne, 1973.

11) In France, where a fairly broad policy of family admission has been practised since the War, labour turnover is apparently smaller. See the reports by the Commissions for the VI Plan, Employment II, pages 24-25, Paris, 1971.

12) This expression is used here in the sense given to it by Böhning (op.cit., paragraph 67 and Annex), i.e. the algebraic sum of the rate of entry and the rate of return. It is on this factor in particular that Böhning bases his argument of the additional flexibility which immigration gives to the economic system. He concludes that the higher this turnover, the more considerable the benefits of immigration.

13) B. Kayser, Cyclically-determined homeward flows, op.cit.

14) It is in connection with this type of labour and "skilled" labour in general that the conflict of interests between labour-exporting and importing countries becomes evident.

15) See Courault, The economic role of the employment of foreign workers in France, Symposium on Foreign Workers, Paris, June 1974. According to this writer: "Two explanations should be given here, which come down to the fundamental idea of growth as a process which engenders new forms of proletarianisation, in other words, it reconstitutes the ranks of the disadvantaged social and economic categories. In this respect, the first effect of immigration is to render possible the integration of categories of workers who would be in danger of no longer withstanding the contradictions of the growth process. The second explanation involves the mechanisms which transform the conditions governing the presence of foreigners. Short-term requirements for additional manpower have evolved into permanent requirements under the influence of the new demands of growth. The latter had to give priority to the imperatives of the ever increasing number of outlets before being able to install the new production processes which involved transforming workplaces. The myth of technical progress and productivity performance leaves the great mass of semi-skilled and unskilled workers intact. So long as this form of economic growth is not conducive to reducing this growing mass, the position of immigration may be reinforced by those very people who encourage the dynamic situation sketched out above".

16) Infrastructure costs are higher for permanent than for temporary immigrants, but these costs end up in present circumstances by being transferred, at least partly, to the community, i.e. to the public budget (to which, however, the immigrants themselves contribute). This is not the case for recruitment costs, which are only or mainly borne by firms and increase with turnover. In the choice to be made, however, it will be remembered

a) that socio-occupational group pressure for social action on behalf of migrants tends to make infrastructure costs fairly rigid,

b) that many migrants finally stay longer than planned in the immigration country (in 1972, 57 per cent of the immigrants in Germany had been in the country for three years, 22 per cent from 3 to 7 years and 21 per cent over seven years) and

c) that forced turnover is generally officially turned down.

17) The profitability of employment of foreign workers has often been questioned (cf. recently L.H. KLAASSEN, Migration of Foreign Workers to Western Europe. Capital to labour or labour to capital? Polish Conference on Migration, Warsaw, 1974).

18) This refers in particular to "normative" integration; see R. Descloftres, The Foreign Worker, adaptation to industrial work and urban life, OECD, 1967.

19) O. de Dinechin, "Towards an ethics of international migration", in Projet No. 87, pages 812 to 813, 1974.

20) The United Kingdom (where the question arose in relation to a special type of immigration coming from the "New Commonwealth") is the only country where large-scale action has been carried on for a long time.

21) This problem has been discussed in particular in Sweden where the partisans of assimilation claimed that this was the ultimate aim or in any event the inevitable result: immigrants should become Swedish in all respects as quickly as possible. The champions of the integration argument maintained, on the other hand, that society was obliged to allow each racial group to lead its own life with its own language, cultural particularities and so on. It is only as minority racial groups that immigrants should be integrated. According to an intermediate argument, assimilation cannot be pushed too far because in doing so a language barrier would be raised between immigrants and their own children. Furthermore, a group integration policy would create ghettos and deprive the children of immigrants of the education which would put them on an equal footing with Swedish-born citizens. (Kjell Öberg, "The situation of immigrant workers in Sweden", in International Labour Review, Volume 110, No. 1, July 1974).

22) O. de Dinechin, op.cit.

23) According to the directives which the Swedish Parliament has given the Government, it is for immigrants themselves to decide to what extent they wish to retain their customs, language, religion, etc. This point of view is in itself beyond reproach, but it is nonetheless true that considerable resources are required to apply even a moderate group integration policy. So long as the means are insufficient, the host environment will continue to exercise strong pressure on immigrants to become assimilated. It may then well be asked how the Welfare State will stand up to this test. The problems are complex but they must be solved to prevent the creation of a society in which immigrants form a new proletariat (K. Öberg, op.cit.)

24) This is a contribution towards the common weal in all circumstances even on the assumption (see "The effects of the employment of foreign workers", Introductory Note by the OECD Secretariat, op.cit.) that the macro-economic benefits of immigration are queried. Thus, if a given economic system expresses a demand for labour which is not met by national manpower, the foreign labour force which responds to that demand cannot be held responsible for the hypothetical irrationality of this indication of the market. The migrant's contribution towards the common weal is also expressed in his position as taxpayer, which includes protection of his right a) to benefit from community services and b) to be represented in public bodies.

25) "It is not easy to overcome prejudices and it is even impossible to do so completely. What can be done at most is to create in the space of a single generation an acceptable society which will be the fruit of the efforts made now to guide children of pre-school age and those who are beginning school". K. Öberg, op.cit.

26) Cf. Allefresde, op. cit.

27) Van Gendt, Possible effects of the energy crisis on international migratory movements, OECD, 1974.

28) These criticisms were based on ideas of the "human capital" type (see Ernst Engel, "Der Preis der Arbeit", Berlin, 1866, and A. Beneduce, "Capitali sottratti all'Italia dall'emigrazione per l'estero" in "Giornale degli Economisti", Volume II, p. 506, 1904, quoted by G. Cosmo, in "Italian emigration movements up to 1940", in Banca Nazionale del Lavoro Quarterly Review, No. 28-29, 1954).

29) J.P. Pilliard in the "Cahiers" of the International Institute for Labour Studies, No. 1, Geneva, 1966.

30) For the ILO, see Some growing employment problems in Europe, (Geneva, 1974) and the literature assembled for the World Employment Programme.

31) See in particular the Abadan Report, OECD, 1971.

32) Cyclically-determined homeward flows of migrant workers , op.cit., p. 52.

33) According to the Bundesanstalt für Arbeit (Repräsentativuntersuchung, 1972) the occupational situation of foreigners in firms was as follows (Spring 1972):

Foremen and supervisors	1 %
Skilled workers	15 %
Semi-skilled workers	41 %
Unskilled workers	31 %
Total manual workers	88 %
Clerical staff	11 %
Trainees and apprentices	1 %

34) D. Mothé, Semi-skilled workers, Paris, 1972.

35) For a discussion of these issues, see G. Garcia Passigli, Proposals for joint operational action on services for emigrant workers, OECD, 1973, roneoed paper.

36) The Yugoslav case is probably the best substantiated. "While the migrants contain a smaller proportion of persons who have completed university studies or a secondary school - than does the whole population (5.7 % as against 8.1 %), 16.6 % of them have completed a school for skilled or highly skilled workers (as against 9 % for the whole of the country). 19.8 % of the migrants have completed

36) (Continuation of footnote on previous page)

8 years of elementary school (14.6 % for the whole of the population ..... 40 % of them have already worked in Yugoslavia ...." (Baučic, Economic consequences of external migration for Yugoslavia, in International Migration in its relationship to industrial and agricultural adjustment policies, OECD, Development Centre, 1974.

37) These matters are studied in a research programme currently under preparation in the ILO. See also Van Gendt, op.cit.

38) For a criticism of the effects of emigration, see X. Zolotas, International Labour Migration, Athens, 1966.

39) Although relatively old now, C.P. Kindleberger's Europe's post-war growth (Cambridge, Massachusetts, 1967) is still an important source of reflection in this field, (see in particular pp. 103-107). Cost-benefit analysis is sometimes regarded as an instrument which can give good results in this respect (see Norman Scott in "Emigrant workers returning to their home country", International Management Seminar, Athens, Supplement to the Final Report, OECD 1967, and also International Institute for Labour Studies Review No. 2, Geneva, 1967). For a criticism of Scott's approach see Belguendouz, "Some considerations on Moroccan Emigration in relation to development", in International Migration in its relationship .... op. cit.

40) i.e. the replies to the annual questionnaire sent out by the OECD Balance of Payments Division.

41) However 1974 figures are available for Spain and Greece which indicate a slight downturn in the remittances and a reduction of their influence on the balance of payments (which remains in deficit).

42) The "recession" (assuming that this term can be used) had mainly affected Germany, where especially at that time Portuguese were a minority in the total number of foreign workers:

Reference date	Foreign workers	of whom Portuguese
January 1966	1.126.593	15.231
January 1967	1.068.025	19.035
January 1968	903.591	16.745
January 1973	2.346.800	68.994

Source: BA - Arbeitsstatistik 1973 - jahreszahlen.

43) OECD, Economic Surveys, Yugoslavia, June 1973.

44) Sources: Documentation of the National Bank of Turkey and OECD Balance of Payments Division.

45) Some estimates will be found in this connection and certain considerations on the validity of the balance-of-payments statistics in G. Schiller, op. cit.

46) See Bourguignon in Gallais-Hamonno and Bourguignon, Migration of Workers or Migration of Capital, Part II, Chap. III 2.6., OECD Development Centre (in publication).

47) See Schiller op. cit. and P. Miurin Government measures to attract the savings of workers abroad and to direct them to economic investments, OECD, 1972 (roneoed document).

47) (Continuation of footnote on previous page)

For an examination of the possible indirect effects of emigration on national savings, see Bourguignon, op. cit., Chap. III, 2.7.

48) See Passigli, op.cit.

49) With regard to Finland, see the 1973 SOPEMI Report and the contribution to SOPEMI by Mr. Majava and Mr. Widgren. But these activities were carried out mainly in co-operation with the Swedish employment service.

50) However, the following measures should be mentioned:

a) those taken by Greece concerning information on vacancies and economic assistance for returning migrants (see Garcia Passigli);

b) the similar measures taken by the Italian Government and the more extensive ones relating to the various stages in the migratory chain adopted by certain regional authorities (for the Friuli-Venezia Giulia region, see the Catholic Committee for Intra-European Migration, paper XXXII/F/12, 1974);

c) the measures at present being prepared in Spain with regard to information on jobs, economic assistance and resettlement (see Garcia Passigli);

d) the experiments (still very sporadic) in Yugoslavia linking bond subscriptions with jobs in firms financed in this way (see Miurin);

e) the Turkish experiments concerning the creation of rural worker co-operatives (see Miurin, Schiller, op.cit., and I. Börtücene and T. Ersoy, in International Migration in its relationship .... op.cit. for the Yugoslav case, see Baučić, contribution to SOPEMI, 1973).

51) Börtücene and Ersoy, op.cit.

52) Government Memorandum to Parliament of 14th March, 1974

53) See in particular the Introductory Note (paragraphs 16 and 17) in The Effects of the Employment of Foreign Workers, op.cit.

54) Jan Tinbergen (for example); see "Migration labour and the international division of labour" in Foreigners in our Community, H. Van Houte and W. Melgert, Amsterdam, Antwerp pp. 16 to 25. This problem was also the subject of an OECD Manpower Division paper at the International Symposium organised in Bonn by the German Ministry of Labour and Social Affairs (23rd-27th October, 1972).

55) Starting from the observation of the role which migration has played up to now (see para. 15 above), these opinions result in conclusions which are very sceptical about the feasibility of this policy. They are based on the thesis that the labour factor and the capital factor play entirely different roles in the production process; the requirement for capital to be profitable has priority, and the contribution of the labour factor is subordinated to the need to increase the capital stock of which labour then becomes an integral part and a value increasing factor. The mobility of capital on an international scale as an alternative to migration would thus be only a purely dialectical expedient.

56) See W. Albeda, "The Stratified Labour Market", Symposium on Foreign Workers, Paris, June 1974.

57) Transfer of some of these activities to other countries would not be inconceivable in theory. The example of sanatoria or convalescent homes is probably not the only one.

58) See O. de Dinechin, op.cit. pages 812-816.

59) See OECD, SOPEMI: Reports for 1973 and 1974; Problems and Prospects of intra-European Migration of Labour in 1974 (roneoed document).

60) Labour costs are therefore one factor among others. They are naturally higher in the case of very labour-intensive investment. Since such investment is mainly spoken of as an alternative to migration, the Mediterranean European countries, where these costs are relatively high as compared with other countries, are already particularly at a disadvantage. Labour costs are an important factor of "disinvestment" in the industrialised countries. The rise in such costs in Germany (where, according to certain estimates, they are one-fifth higher than in the United States) has been instrumental in inducing firms in this country to invest abroad. But it is mainly Africa, Asia and Latin America which are concerned in this connection.

61) For a theoretical examination of these matters, see Bourguignon, OECD Development Centre, op. cit.

62) B. Kayser, Manpower movements and labour markets, op. cit., pp. 13-14.

63) These considerations are largely based on the documentation of the United Nations ECOSOC, 1974, and of OECD in connection with their studies on multi-national enterprises.

64) For example, through a Social Fund which would also be responsible for the cost of geographical mobility and assistance and training for unemployed workers (especially those who suffer from the negative consequences of foreign investment).

65) In this field, precise formulae are dangerous. If we begin by considering that the productivity of foreign firms should be greater than that of local firms, it seems only fair that they should pay higher wages than is customary in the region to their unskilled workers too. In that case, the consequences would be positive, both through the effect of example and through the increase in purchasing power. Other solutions might be preferred which would avoid flagrant disparities between these firms' employees and other workers. In that case, with the free consent of the workers concerned, wage-saving schemes might be encouraged for use for investment purposes. In any event, firms should not be allowed to make excess profits which are not reflected in an advantage for the workers or, more broadly, in an improvement in the employment situation and well-being of the less fortunate strata of the population. We would add that the wages directly paid by these firms could never be too much below those paid abroad; if this were not the case, the inducement to emigrate would not be neutralised.

66) As regards the transfer of technology (which we did not mention so as not to overburden the present statement, but which is of prime importance when studying the effects of foreign investment), a wide variety of literature exists in the OECD (see the recent Transfer of technology, by E.P. Hawthorne, 1971, and its bibliography).

67) The Italian experiment, which, although it is "national", is being carried out in the context of a fairly pronounced economic dualism, might provide some very useful lessons. The problem of

67) (Continuation of footnote on previous page)

creating a labour-intensive industry in the Mezzogiorno has become very acute over the past few years as a result of the failure with regard to employment of the highly capital-intensive investments made in the past. In another direction, application of the German-Yugoslav agreements for promoting investment in Yugoslavia or of other instruments of the same type might also be studied insofar as these agreements envisage forms of co-operation relating to manpower or are expressly designed as an alternative to migration. Consideration might also be given to inter-firm agreements and inter-State agreements which include important clauses concerning vocational training (see R. Weersteen, "Algerian emigration to France" in Le Monde Diplomatique, No. 244, July 1974).

68) These conclusions appear in Chap. IV of International Migration in its relationship ..... op. cit.

69) It would be interesting to make a comparison, as Kindleberger did in the 1960s, of the volume and structure of growth - taking due account of demographic factors - between countries which have had recourse in large measure to foreign manpower and those which have restricted themselves to the utilisation of their own resources.

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